

EES, INC.

TRANSPORTATION SERVICES AGREEMENT

This Agreement made this 14th day of September, the year 2012, by and between Options Public Charter School, a District of Columbia non-profit corporation located at 1375 E. St. NE, Washington DC, hereinafter "School" and Exceptional Education Services, Inc., (EES) a Delaware for profit company, hereinafter "Contractor." The relationship of the Contractor to the School under this agreement shall be that of Independent Contractor.

Now therefore, in consideration of their mutual promises and covenants and other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree that Non-Public School Bus Transportation Services ("Services") shall be furnished by the Contractor upon the following terms and conditions.

1. Contractor agrees to furnish student transportation services to and from the School for the 2012-2013 academic school year during the hours set forth and over the routes described in the Bus Route Manifest (Attachment 1), and as the parties may subsequently agree.
2. Contractor agrees to provide at his/her expense a sufficient number of school buses to fulfill requirements of this Agreement, all of which have been approved by the School and which meet the requirements of all Federal, State, School and municipal laws, statutes, ordinances, rules and regulations which are applicable to and enforceable in the District of Columbia.
3. Contractor agrees to furnish at its expense all labor, parts and other materials required for the operation of the school buses, including drivers, maintenance, repairs, gasoline, oil and other motor fuel and lubricants.
 - A. Contractor shall keep its school buses in good and safe mechanical condition at all times in accordance with standards established by statute, lawful authority and the District of Columbia.
 - B. Contractor shall keep its school buses in clean and sanitary condition at all times that they are being used.
 - C. All school buses will be available for inspection, at reasonable times, by qualified inspectors designated by the School. Contractor shall immediately correct or cause to be corrected, all defects or deficiencies reported to the Contractor upon inspection. Any school bus determined by Inspection to be unsafe shall immediately be taken out of service and replaced with an approved school bus at the Contractor's cost until the school bus so removed has been repaired and is then

safe to resume service by the inspecting authority. It is understood and agreed that the repeated use of any unsafe equipment shall be grounds for suspension of all payments to the Contractor and may result in termination of this contract.

4. Contractor shall provide the School with Contractor's Federal Tax Identification upon request. All drivers and others engaged in the operation of the Contractor's school buses shall be employees of the Contractor, unless Contractor and School otherwise agree via executed writing. Contractor shall carry adequate Workmen's Compensation Insurance and cause a certificate of such insurance to be forwarded by the insurance carrier to the School upon request, indicating that the policy is not subject to cancellation, non-renewal or reduction in coverage until forty-five (45) days prior written notice has been given to the School.

- A. All drivers shall be qualified under applicable law to drive a school bus. Bus drivers shall not drive the school bus until certified and approved by the School and any other authority required by law.
- B. Contractor shall be responsible for driver compliance with all laws, statutes, rules and regulations for the transportation of school children, including any policies now established or to be promulgated in the future by the School and the District of Columbia Department of Education.
- C. Drivers shall observe the highest possible standards of safe driving at all times and strictly comply with the rules of the road and all provisions of the District of Columbia Motor Vehicle Laws.
- D. As compensation for the Services contemplated herein, on a monthly prorated basis Contractor will be paid as follows:

The total contract price to Options for the SY 2012-2013 would be a gross amount of \$450,000.00 with the right to charge an additional \$100,000 if daily average ridership exceeds 150 students upon Options approval. The net cost to school will not exceed, \$250,000, as balanced against monies received from Medicaid Billing for transportation services provided.

5. The Contractor agrees that the pupil transportation and use of the school buses provided under this Agreement shall be furnished to the School's students and other persons designated by the School Supervisor of Non-Public School Transportation (currently _____) or his/her designee.

- A. The students to be transported under this Agreement are pupils attending the School, as designated in the bus routes or any modifications thereof by the School. Further, such pupils shall present School identification prior to boarding Contractor's school bus and shall be dressed in the School uniform, unless such uniform

requirement is waived by the School as verified by the Aide on board the school bus.

- B. The Contractor agrees not to deviate from his/her designated routes without the consent of the School or its duly designated representative who may designate stops to be made and corresponding schedules of the school buses. In the event any school bus fails to adhere to the designated route without the consent of the School or its duly designated representative and such failure is deemed unacceptable by the School in its reasonable discretion and such determination is consistent with the terms of this Agreement, the School may impose a penalty of Two-Hundred Dollars (\$200.00) against the remuneration to be paid for completion of the designated route if such failure results in a delay of thirty (30) minutes or more in transporting the students to their respective destination(s).
 - C. The Contractor shall adhere to the District of Columbia public school inclement weather policy and shall provide transportation services in accordance with any corresponding change to the School's daily operating schedule. The Contractor shall not be considered in default of this Agreement if Contractor is delayed in performing the duties contemplated herein due to inclement weather, traffic delays, or other events outside of the Contractor's control.
6. The School shall provide at least one Aide to be aboard each school bus in operation transporting students hereunder. Aides shall be employees of the School. Each Aide shall have the option of boarding a school bus with a school bus driver or as the first person to be picked up on a given school bus route, and shall remain on the school bus until the last student exits the bus, at which time the Aide may exit or elect to be dropped off at the designated point on the applicable bus route. Each Aide shall exercise acceptable control of the School's students during transportation. School bus drivers shall promptly report any misconduct, and/or breach of order and discipline, on the part of any student or Aide, to the school principal /disciplinarian. Further, upon discovery, if a school bus driver has a good faith belief an Aide is under the influence of any substance which in the reasonable judgment of the driver impairs the Aide's ability to properly monitor the actions of the students aboard the bus, the driver shall notify the School Supervisor of Non-Public School Transportation or his/her designee at such time when it is first safe to do so. The bus driver shall use his/her discretion in determining whether to continue the route or suspend the route awaiting instruction from the School Supervisor of Non-Public School Transportation or his/her designee.
7. The School reserves the right to change bus routes as necessary to accommodate changes in the student population. The payment due the Contractor under this Agreement shall be reasonably adjusted by the mutual agreement of the parties to reflect any changes in routes. In any event, payment shall be made in consecutive, weekly installments mailed by the last business day of each calendar week's operation of school buses by the Contractor.
8. The Contractor, at its expense shall provide liability insurance during the term of this

Agreement insuring the school bus and passengers for property damage and bodily injury up to the maximum coverage per occurrence as afforded by the School's insurance policy. This insurance will not apply to any other use of school buses and it is the responsibility of the Contractor to obtain liability insurance coverage for such other use. It is the sole responsibility of Contractor to obtain all other business insurance coverage not specifically set forth in this paragraph, including, but not limited to, Workmen's Compensation and Commercial General Liability Insurance. Such general liability insurance shall be in an amount not less than \$1,000,000 occurrence cap and shall name the School as an additional insured. Verification of such insurance shall be submitted upon request. The insurance furnished by the Contractor will apply to all regularly contracted school buses and approved spare buses, while such buses are operated by drivers certified and approved by the Contractor and:

- A. On official school business, including transporting pupils to or from school or when transporting pupils on school sponsored activities, including the operation of the buses to and from regular storage or garage locations.
 - B. Operated for maintenance or testing purposes.
 - C. Stored or parked at the regular storage or garage locations.
 - D. Being used to train drivers.
 - E. Other School business when specifically authorized by the School Supervisor of Non-Public School Transportation or his/her designee.
9. This agreement shall be for a term of one (1) year from the date hereof and shall be renewable from term to term without the necessity for either party giving notice of renewal via the School's receipt of an executed/signed copy on or before Oct. 1, 2013. The performance of the terms of this Agreement by the Contractor shall at all times be subject to the approval of the School and either party may terminate this Agreement for material breach of this Agreement by the other by giving thirty (30) days written notice to the breaching party, unless it is reasonably determined by the non-breaching party that the continued performance of the duties contemplated hereunder presents a risk of danger or harm to any of the passengers of the buses, in which case such termination may be immediate. If this Agreement is terminated by the School for breach of this Agreement, the Contractor shall be provided the reason or reasons for termination in writing at the same time notice of termination is given.
- A. Contractor shall be given an opportunity for a hearing before the School's Supervisor of Non-Public School Transportation if requested in writing within no less than fifteen (15) working days of the date of notice termination. No appeal after said fifteen (15) working days shall be allowed. The Contractor shall be allowed to bring

counsel and witnesses and may present additional evidence if so desired.

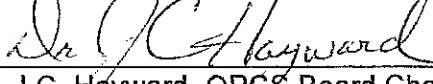
- B. Within fifteen (15) working days after the hearing before the Supervisor of Non-Public School Transportation, the Supervisor of Non-Public School Transportation shall give written notice of his/her decision to Contractor setting forth the reasons for the decision reached. The decision of the Supervisor of Non-Public School Transportation shall be final and no further appeal shall be allowed.
10. In the event Contractor should become aggrieved by a decision of the School or any of its employees concerning the interpretation of this Agreement, Contractor may request a hearing before the School's Board of Trustees. Any such request shall be in writing and shall set forth the nature of Contractor's grievance. After a hearing before the School's Board of Trustees, the School's Board of Trustees shall, within fifteen (15) working days after such a hearing, render its decision in writing to the Contractor. The provisions of this paragraph do not apply when this Agreement has been terminated by the School for cause; for in such instance, the provisions of paragraph 9 of this Agreement apply. This paragraph does not and shall not be construed to enlarge or diminish School's or Contractor's right and duties as set forth in this Agreement.
11. The School, in the exercise of its sole discretion, shall have the right to terminate this agreement upon thirty (30) calendar days notice to the Contractor, in the event of an adverse determination by the Internal Revenue Service relating to the Contractor's status as an independent contractor, or upon the advice of counsel to the School that the independent contractor status of the contractor may not be recognized. Upon receipt of such an adverse determination or advice of counsel, it shall be within the sole discretion of the School to terminate this agreement in accordance with this provision or to defer exercising its right to terminate pending the School's further appeal of the determination or further consideration of the advice. Any such deferral, however, does not constitute a waiver by the School of its right to terminate this contract, which right shall continue to be exercisable by the School at its sole discretion.
12. Contractor agrees to accept any reasonable change of route upon notice thereof from the Supervisor of Non-Public School Transportation or his/her designee and does further agree to accept adjustment of compensation as the parties may deem proper.
13. If this Agreement is terminated by the School pursuant to paragraph 9 or 11 of this Agreement, the School through its Supervisor of Non-Public School Transportation will assist Contractor in disposing of Contractor's equipment, but will assume no legal or financial obligation should the School and/or Contractor is unable to dispose of said equipment.
14. It is specifically agreed between the parties executing this Agreement that it is not intended by any of the provisions of this Agreement to create in the public or any member thereof, third party beneficiary status in connection with the performance of the obligations herein without the written consent of the School and notwithstanding its concurrence in or

approval of the award of any contract or subcontract or the solicitation thereof in fulfilling the obligations of the Agreement.

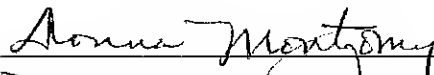

15. Either the School or the Contractor may terminate this agreement at the end of any school year for any reason upon notice in writing to the other party at least thirty (30) calendar days prior to the end of the current school year.
16. No elected official, appointed official, employee, servant, agent or law enforcement officer shall be held personally liable under this Agreement and any extension or renewals thereof because of its enforcement or attempted enforcement provided they are acting within the course and scope of their employment or governmental duties and responsibilities.
17. The School's financial obligations, if any, under this Agreement are contingent upon sufficient appropriations and authorization being made by the School for the performance of this Agreement.
18. In the event any portion of this agreement (ordinance) is found to be unconstitutional, illegal, null or void, by a court of competent jurisdiction, it is the intent of the parties to sever only the invalid portion or provision, and that the remainder of the agreement (ordinance) shall be enforceable and valid, unless deletion of the invalid portion would defeat the clear purpose of the agreement (ordinance), or unless deletion of the invalid portion would produce a result inconsistent with the purpose and intent of the Board of School Commissioners in entering into this agreement (enacting this ordinance).
19. This Agreement and the performance thereof shall be governed, interpreted, construed, enforced and regulated by the laws of the District of Columbia applicable to contracts made and to be performed in such District without giving effect to the principles of conflicts of law.
20. This Agreement shall be binding upon the parties hereto and shall remain in effect through the completion of the rendering of services described herein, absent breach, terminable prior thereto only upon the mutual consent of the parties hereto or otherwise pursuant to the terms of this Agreement. In the event of such early termination, all contract fees and charges incurred through the effective date of the termination shall be payable in accordance with the terms of this Agreement. In the event of such termination, neither party shall be liable for any damages, penalties, demobilization or contract termination expenses of any nature. In the event of a conflict between this clause and any other clause of this Agreement, this clause shall control.
21. Entire Agreement. This Agreement constitutes the entire agreement between the parties and there are no other understandings, either written or oral, which affect the terms hereof. This Agreement may be modified or amended solely by a subsequent written agreement between the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

Options Public Charter School


Dr. J.C. Hayward, OPCS Board Chairman

Exceptional Education Services, Inc.


 CEO
Dr. Donna Montgomery CEO

